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SUBJECT: SPECIAL MFA PRESS CONFERENCE ON PREMIER WEN TRAVEL
TO AUSTRALIA, NEW ZEALAND, FIJI AND CAMBODIA, APRIL 1-8

REF: A. SUVA 00123

[1](#)B. PORT MORESBY 00073

[1](#)C. BEIJING 5362

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Summary

[1](#)1. Premier Wen Jiabao will visit Australia, Fiji, New Zealand and Cambodia from April 1-8, MFA Director Generals for Asian Affairs and for American and Oceanian Affairs told the local and international press corps on March 24. This will be a trip of firsts: the first visit by a PRC Premier to Australia and New Zealand in 18 years, the first official visit of any Chinese leader to the Pacific Islands and the first visit by the current Chinese leadership to Cambodia. Highlights of the visits will include the expected signing in Australia of two documents covering the "peaceful use of nuclear energy and cooperation on uranium," opening a China-Pacific Islands economic cooperation conference in Fiji and the signing of a joint communique that will layout plans for future PRC-Cambodian cooperation. End summary.

[1](#)2. On March 24 MFA American and Oceania Affairs Director General Liu Jieyi and MFA Asian Affairs Director General Hu Zhengyue provided a briefing to the press on Premier Wen Jiabao's April 1-8 travel to Australia (April 1-4), Fiji (April 4-5), New Zealand (April 5-7) and Cambodia (April 7-8). FM Li Zhaoxing, Commerce Minister Bo Xilai and NDRC Chairman Ma Kai will accompany Premier Wen.

Australia: Agreements on Uranium and Kickstarting FTA Talks

[1](#)3. Liu said that during this first visit to Australia and New Zealand by a PRC Premier in eighteen years Premier Wen would meet with Australian Prime Minister Howard and New Zealand Prime Minister Clark, as well as with the Governor Generals in both countries. Devoting the most of his time to the Australian portion of the visit, Liu said the two sides will exchange views on their friendly and cooperative relations as well as discuss regional and international issues of mutual interests. China will also be seeking to

explore new channels and modalities for developmental cooperation under the "new circumstances." Liu said the two sides will sign agreements on cooperation in science and technology, economics, trade and culture.

14. Asked to comment on the differences in public statements on China by Australian FM Downer and Secretary Rice and the Trilateral Security Dialogue, Liu said China had noticed that the "comments and words used internationally by some people" were not in line with the reality that China is firmly committed to the path of peaceful development and that the overall situation in the Asia-Pacific region is stable. However, the region faces challenges of traditional and non-traditional threats, Liu continued, saying countries should build mutual trust, strengthen cooperation and promote common security in order to meet these challenges. For its part, China has always played a constructive role in international affairs and it will continue to work for peace and stability, Liu said.

15. Although refusing to go into details, Liu confirmed that China and Australia have reached an agreement on the drafts of two documents that cover the "peaceful use of nuclear energy and cooperation on uranium." These documents will likely be signed during Premier Wen's visit. Asked about Australia's cooperation with India on uranium, DG Liu said Canberra is doing a good job in preventing proliferation and observed that Australia has said it would fully comply with its NPT obligations. Turning to the question of energy cooperation in general, Liu said China is a large energy consumer and producer with an overall self-sufficiency rate of 90% and per capita energy consumption that is well below the world average. China is currently focused on meeting its demand with domestic supplies, while promoting energy conservation and efficiency. China hopes the private energy sector companies in both countries will also engage in more cooperation for the benefit of both economies.

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16. Pointing out that PRC-Australia trade was \$27.2 billion in 2005, representing a 30% year-on-year increase, Liu said China would like to see a further strengthening of economic relations. Despite the efforts on FTA negotiations with Australia and New Zealand that have lead to some progress, Liu said there are still outstanding issues that need to be resolved. China wants to reach a "high quality" agreement. Beijing hopes the meeting between Premier Wen and PM Howard, as well as Premier Wen's meeting with New Zealand PM Clark, will kickstart the FTA negotiations, according to Liu.

17. In response to a question on iron ore prices, Liu said he was not sure whether this would be raised by Premier Wen during his meetings. He went on to say that recent speculation in iron prices is putting pressure on world markets and a balance needs to be struck between suppliers and consumers, taking into account everyone's interests.

18. Asked to comment on potential Falun Gong interference with Premier Wen's visit, Liu expressed confidence that the concerted efforts of the PRC and Australian governments would successfully prevent the Falun Gong from "sabotaging" the visit to serve their evil interests and political agenda."

Fiji: Wooing and Showing Off at the Economic Conference

19. Liu said Premier Wen's visit to Fiji will be the first official visit to the Pacific Islands by a PRC senior leader. Premier Wen will join the leaders of Pacific Island nations to open the inaugural "China-Pacific Island Countries Economic Development and Cooperation Forum Ministerial Conference" on April 5. Wen will give a keynote address in which he is expected to lay out China's policy towards the South Pacific and propose areas of further cooperation. Wen and the Pacific Island leaders will sign a "Plan of Action"

for China-Pacific Island economic cooperation and development. Wen will also hold bilateral meetings with the leaders of each Pacific Island state in attendance.

¶10. Liu said the PRC deeply values its relations with the Pacific Island nations and wants to support their economic growth, promote good governance, focus on sustainable development and secure their national security. Beijing also hopes to enhance cooperation in areas of common interest. Pointing out that China's trade with the Pacific Islands increased 58% in 2005 to \$838 million, of which \$45.3 million was trade with Fiji, Liu said China is looking to expand its cooperation with the Pacific Islands in the areas of agriculture, forestry and fisheries. As a fellow developing country, China is ready to support the Pacific Island nations to achieve the UN Millennium Development Goals (MDG) and will continue to provide assistance, according to Liu.

¶11. Asked whether island nations that do not recognize the PRC would attend the conference, Liu said the final list of participating countries was still being worked on but expressed confidence that some countries without diplomatic relations with the PRC would attend. Liu said Beijing hopes that some of those countries will establish or restore relations with the PRC at an early date, once they realize that the PRC can assist their development and help them meet the UN MDGs.

Cambodia: Everything is Good

¶12. Hu said Premier Wen will visit Cambodia at the invitation of Prime Minister Hun Sen and in response to a series of recent visits by Cambodia's leaders. Pointing out that this will be the first visit to Cambodia by the current Chinese leadership, Hu said Premier Wen will exchange views with PM Hun Sen on bilateral relations and areas of mutual concern. Premier Wen will also meet with King Sihamoni, the President of the Senate and the President of the National Assembly. Wen will attend a welcoming ceremony by PM Hun Sen, witness the signing of a joint communique that will lay out plans for future bilateral cooperation and attend the

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earth-breaking ceremony of PRC-funded construction project for a new government office building. The two leaders will also sign a series of documents covering specific bilateral cooperation in economics and trade, health and combating transnational crime and an agreement on a "phase two" project to jointly protect and preserve Angkor Wat and historical relics, according to Hu.

¶13. Providing an overview of PRC-Cambodia relations, Hu said there are no political issues of concern, with bilateral relations based on deeply rooted friendly feelings between the two peoples, recognition that mutual cooperation brings tangible benefits to both countries and a shared cultural heritage. There is frequent interaction between the Chinese Communist Party and the Cambodian People's Party (CPP), the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCINPEC) and the Sam Rangsai Party (SRP). In addition, China and Cambodia enjoy frequent military officer exchanges, good law enforcement cooperation and good collaboration and coordination in regional affairs. PRC-Cambodia economic relations are closer than ever, with bilateral trade climbing 16.7% in 2005 to reach \$563 million, with 80 Chinese companies in Cambodia signing contracts valued at over \$850 million in the areas of energy, construction, project contracting and agricultural development. China provides economic assistance to Cambodia to support the development of economic and social undertakings

Thailand: Not Convenient Now

¶14. DG Hu confirmed that Premier Wen's trip to Thailand has

been postponed because of the politic difficulties PM Thaksin is now facing. Saying China and Thailand have very good relations and frequent contacts, DG Hu said the visit would take place in the future during a convenient time for both countries. DG Hu also said other visits by PRC leaders to Southeast Asia are being arranged for later this year.

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